

AD HOC MEETING

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in
Room 2436, "H" Building

5 November 1951

PRESENT:

Dr. Max F. Millikan, CIA, Chairman
Mr. Edward Doherty, State
Mr. Howard Wiedemann, State
Lt. Colonel George B. Russell, Army
Cdr. Donald C. Deane, Navy
Dr. James T. Lowe, Air Force
Dr. Edward Allen, Air Force
Captain Charles M. Heberton, JCS
Colonel Edwin M. Cahill, JCS
[REDACTED], CIA, Secretary
[REDACTED], CIA
[REDACTED], CIA

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PURPOSE OF THE MEETING

1. The meeting was convened to discuss a procedure for producing a study on the economic capabilities for war of the USSR and its Satellites. The Intelligence Advisory Committee has instructed that this study should be undertaken through the Economic Intelligence Committee. (See IAC-M-50 dated 1 November 1951.)

PROCEDURE AND RESPONSIBILITY

2. The following general agreements were made regarding procedure and responsibility for producing the study:

a. Each agency and the JIG "Red Team" are to submit nominations to a Working Group for which CIA will provide the Secretariat. Nominations are to be communicated to [REDACTED], CIA, before Friday, 25X1A9a 9 November.

b. Part One (War commencing 1 July 1952) is scheduled for completion by 1 February and should be considered first by the Working Group. Initially, at least, this will be an EIC product and not a National Intelligence Estimate.

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c. CIA will prepare an outline of the project for consideration by the Working Group at its first meeting. This group will then prepare data sheets and a more detailed outline for consideration by the EIC. In addition this group will consider such questions as the general rationale of the paper, the methodology to be employed, the additional assumptions that are required and the list of items to be covered. The Joint Intelligence Group memorandum on this subject (JIGM-277-51) will serve initially as a general guide for the project.

d. The Working Group may set up whatever subcommittees are necessary to consider problems on which more than one agency can be of assistance (e.g. production, inventory, and requirements for trucks).

e. It is intended that a group consisting of the permanent members of the EIC and representatives of the JIC "Red Team" will keep in close touch with the Working Group and will provide constant guidance to the development of the project. Final judgments on major aspects of the paper and allocation of production responsibility will be considered by this EIC ad hoc group. In the designation of production responsibilities, they will consult the JIG memorandum referred to above.

ASSUMPTIONS

3. It was agreed that although the assumptions stated in the JIG memorandum are to be used as a guide by the Working Group for Part I, they are to be modified and supplemented by the assumptions following:

a. It is assumed that war comes as a surprise to the Soviet Bloc. As a corollary, it is assumed that there is no acceleration in Soviet Bloc production for military purposes in anticipation of a war beginning at a particular time.

b. It is assumed that cold war conditions will apply through 1 July 1952.

c. The war in Korea is assumed to continue to mid-1952.

d. In analyzing such problems as replacement, inventories of military end items are assumed to be the same at the beginning and the end of the period under consideration. Initially, it will be assumed in the analysis that there will be no net reduction in stocks. However, in later stages of the analysis, there will be consideration of the extent to which stocks will be drawn down to meet requirements.

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- e. The assumptions pertaining to stockpiles of supplies are the same as those in d above. The geographic location of the more important bulk stocks should be provided even though they may only be rough guesses.
4. The assumptions noted in the JIG memorandum, including those in the footnotes on page 5, still obtain except insofar as they have been modified or added to by points a through e above.
5. Detailed assumptions underlying the estimates of attrition and time phasing will be provided by the Joint Logistics Planning Group.

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Secretary
Economic Intelligence Committee

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